INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
We make Indiana a cleaner, healthier place to live.

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100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP) RENEWAL OFFICE OF AIR QUALITY

Hoosier Railcar, Inc.
3915 Kennedy Avenue
East Chicago, Indiana 46312

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-8 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Operation Permit No.: F 089-15714-00370	
Issued by:Original signed by Paul Dubenetzky Paul Dubenetzky, Branch Chief Office of Air Quality	Issuance Date: August 14, 2003 Expiration Date: August 14, 2008

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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in Conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-8-3(b)]

The Permittee owns and operates a stationary railcar coating and repair source.

Authorized individual:	Plant Superintendent
Source Address:	3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address:	3915 Kennedy Avenue, East Chicago, Indiana 46312
General Source Phone:	219-397-0057
SIC Code:	3743
County Location:	Lake
Source Location Status:	Nonattainment for Ozone, PM_{10}, CO, and SO_2 Attainment for all other criteria pollutants
Source Status:	Federally Enforceable State Operating Permit (FESOP) Minor Source, under Emission Offset Rules; Minor Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-8-3(c)(3)]

This stationary source consists of the following emission units and pollution control devices:

(a) Two (2) railcar painting operations, known as Paint 1 and Paint 2, constructed in 1981, equipped with air atomized spray guns, exhausting to two (2) exhaust fans with dry filters to control particulate overspray, capacity: 0.200 railcars per hour total.

(b) One (1) enclosed shotblasting operation, known as Shotblast 1, constructed in 1998, equipped with an ultra-web filter, exhausting to a stack, capacity: 1,900 pounds of steel shot per hour and 0.13 railcars (9,100 pounds) per hour.

A.3 Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-8-3(c)(3)(I)]

This stationary source also includes the following insignificant activities, as defined in 326 IAC 2-7-1(21):

(a) One (1) natural gas-fired boiler, constructed in 1985, exhausting to a stack, heat input capacity: 0.980 million British thermal units per hour. (326 IAC 6-2-4)

(b) Five (5) metal inert gas (MIG) welding stations, using 7053 welding wire, capacity: 5.00 pounds of welding wire per hour each.

(c) Five (5) metal inert gas (MIG) welding stations, using 6053 welding wire, capacity: 2.00 pounds of welding wire hour each.

(d) Two (2) stick welding stations, using 6013 electrode, capacity: 2.00 pounds of electrode per hour each.

(e) Two (2) stick welding stations, using 7058 electrode, capacity: 2.00 pounds of electrode per hour each.

(f) Unpaved roads.

A.4 FESOP Applicability [326 IAC 2-8-2]

This stationary source, otherwise required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) to renew a Federally Enforceable State Operating Permit (FESOP).

A.5 Prior Permits Superseded [326 IAC 2-1.1-9.5]

(a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either

(1) incorporated as originally stated,

(2) revised, or

(3) deleted

by this permit.

(b) All previous registrations and permits are superseded by this permit.

SECTION B GENERAL CONDITIONS

B.1 Permit No Defense [IC 13]

Indiana statutes from IC 13 and rules from 326 IAC, quoted in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a FESOP under 326 IAC 2-8.

B.2 Definitions [326 IAC 2-8-1]

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2, and 326 IAC 2-7) shall prevail.

B.3 Permit Term [326 IAC 2-8-4(2)] [326 IAC 2-1.1-9.5]

This permit is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date.

B.4 Enforceability [326 IAC 2-8-6]

Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.

B.5 Termination of Right to Operate [326 IAC 2-8-9] [326 IAC 2-8-3(h)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-8-3(h) and 326 IAC 2-8-9.

B.6 Severability [326 IAC 2-8-4(4)]

The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

B.7 Property Rights or Exclusive Privilege [326 IAC 2-8-4(5)(D)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

B.8 Duty to Provide Information [326 IAC 2-8-4(5)(E)]

(a) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ, may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1). Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit.

(b) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1 When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

B.9 Compliance Order Issuance [326 IAC 2-8-5(b)]

IDEM, OAQ may issue a compliance order to this Permittee upon discovery that this permit is in nonconformance with an applicable requirement. The order may require immediate compliance or contain a schedule for expeditious compliance with the applicable requirement.

B.10 Compliance with Permit Conditions [326 IAC 2-8-4(5)(A)] [326 IAC 2-8-4(5)(B)]

(a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for:

(1) Enforcement action;

(2) Permit termination, revocation and reissuance, or modification; and

(3) Denial of a permit renewal application.

(b) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

(c) An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

B.11 Certification [326 IAC 2-8-3(d)] [326 IAC 2-8-4(3)(C)(i)] [326 IAC 2-8-5(1)]

(a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by an authorized individual of truth, accuracy, and completeness. This certification, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

(b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification.

(c) An authorized individual is defined at 326 IAC 2-1.1-1(1).

B.12 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

(a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. All certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than April 15 of each year to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

(b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

(c) The annual compliance certification report shall include the following:

(1) The appropriate identification of each term or condition of this permit that is the basis of the certification;

(2) The compliance status;

(3) Whether compliance was continuous or intermittent;

(4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-8-4(3); and

(5) Such other facts as specified in Sections D of this permit, IDEM, OAQ, may require to determine the compliance status of the source.

The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

B.13 Preventive Maintenance Plan [326 IAC 1-6-3] [326 IAC 2-8-4(9)] [326 IAC 2-8-5(a)(1)]

(a) If required by specific condition(s) in Section D of this permit, the Permittee shall maintain and implement Preventive Maintenance Plans (PMPs), including the following information on each facility:

(1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

(2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and

(3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

(b) The Permittee shall implement the PMPs, including any required record keeping, as necessary to ensure that failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit.

(c) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMP does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(d) To the extent the Permittee is required by 40 CFR Part 60/63 to have an Operation, Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

B.14 Emergency Provisions [326 IAC 2-8-12]

(a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation, except as provided in 326 IAC 2-8-12.

(b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describes the following:

(1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;

(2) The permitted facility was at the time being properly operated;

(3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;

(4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ and the Northwest Regional Office, within four (4) daytime business hours after the

beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone No.: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section)
or,
Telephone No.: 317-233-5674 (ask for Compliance Section)
Facsimile No.: 317-233-5967
Northwest Regional Office: 219-881-6712, facsimile 219-881-6745

(5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-8-4(3)(C)(ii) and must contain the following:

(A) A description of the emergency;

(B) Any steps taken to mitigate the emissions; and

(C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(6) The Permittee immediately took all reasonable steps to correct the emergency.

(c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.

(d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.

(e) IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-8-3(c)(6) be revised in response to an emergency.

(f) Failure to notify IDEM, OAQ, by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-8 and any other applicable rules.

(g) Operations may continue during an emergency only if the following conditions are met:

(1) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.

(2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:

(A) The Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and

(B) Continued operation of the facilities is necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw material of substantial economic value.

Any operations shall continue no longer than the minimum time required to prevent the situations identified in (g)(2)(B) of this condition.

(h) Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.15 Deviations from Permit Requirements and Conditions [326 IAC 2-8-4(3)(C)(ii)]

(a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provision), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

B.16 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-8-4(5)(C)] [326 IAC 2-8-7(a)] [326 IAC 2-8-8]

(a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a FESOP modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-8-4(5)(C)] The notification by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ determines any of the following:

(1) That this permit contains a material mistake.

(2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.

(3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-8-8(a)]

(c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-8-8(b)]

(d) The reopening and revision of this permit, under 326 IAC 2-8-8(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ, may provide a shorter time period in the case of an emergency. [326 IAC 2-8-8(c)]

B.17 Permit Renewal [326 IAC 2-8-3(h)]

(a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ and shall include the information specified in 326 IAC 2-8-3. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, IN 46206-6015

(b) Timely Submittal of Permit Renewal [326 IAC 2-8-3]

(1) A timely renewal application is one that is:

(A) Submitted at least nine (9) months prior to the date of the expiration of this permit; and

(B) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

(2) If IDEM, OAQ upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect until the renewal permit has been issued or denied.

(c) Right to Operate After Application for Renewal [326 IAC 2-8-9]
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-8 until IDEM, OAQ takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, any additional information identified as needed to process the application.

B.18 Permit Amendment or Revision [326 IAC 2-8-10] [326 IAC 2-8-11.1]

(a) Permit amendments and revisions are governed by the requirements of 326 IAC 2-8-10 or 326 IAC 2-8-11.1 whenever the Permittee seeks to amend or modify this permit.

(b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(c) The Permittee may implement the administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-10(b)(3)]

(d) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.

B.19 Operational Flexibility [326 IAC 2-8-15] [326 IAC 2-8-11.1]

(a) The Permittee may make any change or changes at this source that are described in 326 IAC 2-8-15(b) through (d), without prior permit revision, if each of the following conditions is met:

(1) The changes are not modifications under any provision of Title I of the Clean Air Act;

(2) Any approval required by 326 IAC 2-8-11.1 has been obtained;

(3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

(4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

(5) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-8-15(b) through (d) and makes such records available, upon reasonable request, to public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-8-15(b)(2), (c)(1), and (d).

(b) Emission Trades [326 IAC 2-8-15(c)]
The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject

to the constraints of Section (a) of this condition and those in 326 IAC 2-8-15(c).

(c) Alternative Operating Scenarios [326 IAC 2-8-15(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-8-4(7). No prior notification of IDEM, OAQ or U.S. EPA is required.

B.20 Permit Revision Requirement [326 IAC 2-8-11.1]

A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-8-11.1.

B.21 Inspection and Entry [326 IAC 2-8-5(a)(2)] [IC 13-14-2-2] [IC 13-30-3-1]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

(a) Enter upon the Permittee's premises where a FESOP source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;

(b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

(c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;

(d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and

(e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.22 Transfer of Ownership or Operational Control [326 IAC 2-8-10]

(a) The Permittee must comply with the requirements of 326 IAC 2-8-10 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.

(b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

The application which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-

10(b)(3)]

B.23 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-8-4(6)] [326 IAC 2-8-16][326 IAC 2-1.1-7]

(a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ the applicable fee is due April 1 of each year.

(b) Failure to pay may result in administrative enforcement action, or revocation of this permit.

(c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4320 (ask for OAQ, I/M & Billing Section), to determine the appropriate permit fee.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

Emissions Limitations and Standards [326 IAC 2-8-4(1)]

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) pounds per hour [40 CFR 52 Subpart P] [326 IAC 6-3-2]

(a) Pursuant to 40 CFR 52, Subpart P, particulate matter emissions rate from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than 100 pounds per hour shall not exceed 0.551 pounds per hour.

(b) Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions rate from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.

C.2 Overall Source Limit [326 IAC 2-8]

The purpose of this permit is to limit this source's potential to emit to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

(a) Pursuant to 326 IAC 2-8:

(1) The potential to emit volatile organic compounds (VOCs) from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period. This limitation shall also satisfy the requirements of 326 IAC 2-3 (Emission Offset);

(2) The potential to emit any regulated pollutant from the entire source, except particulate matter (PM) and volatile organic compounds (VOCs), shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period;

(3) The potential to emit any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per twelve (12) consecutive month period; and

(4) The potential to emit any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period.

(b) Pursuant to 326 IAC 2-3 (Emission Offset), potential to emit particulate matter (PM) from the entire source shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period.

(c) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in this permit, provided the source's potential to emit does not exceed the above specified limits.

(d) Section D of this permit contains independently enforceable provisions to satisfy this requirement.

C.3 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this

permit:

(a) Opacity shall not exceed an average of twenty percent (20%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.4 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1.

C.5 Incineration [326 IAC 4-2] [326 IAC 9-1-2(3)]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and in 326 IAC 9-1-2.

C.6 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

C.7 Fugitive Dust Emissions [326 IAC 6-1-11.1]

Pursuant to 326 IAC 6-1-11.1 (Lake County Fugitive Particulate Matter Control Requirements), the particulate matter emissions from source wide activities shall meet the following requirements:

(a) The average instantaneous opacity of fugitive particulate emissions from a paved road shall not exceed ten percent (10%).

(b) The average instantaneous opacity of fugitive particulate emissions from an unpaved road shall not exceed ten percent (10%).

(c) The average instantaneous opacity of fugitive particulate emissions from batch transfer shall not exceed ten percent (10%).

(d) The opacity of fugitive particulate emissions from continuous transfer of material onto and out of storage piles shall not exceed ten percent (10%) on a three (3) minute average.

(e) The opacity of fugitive particulate emissions from storage piles shall not exceed ten percent (10%) on a six (6) minute average.

(f) There shall be a zero (0) percent frequency of visible emission observations of a material during the inplant transportation of material by truck or rail at any time.

(g) The opacity of fugitive particulate emissions from the inplant transportation of material by front end loaders and skip hoists shall not exceed ten percent (10%).

(h) There shall be a zero (0) percent frequency of visible emission observations from a building enclosing all or part of the material processing equipment, except from a vent in the building.

(i) The PM_{10} emissions from building vents shall not exceed twenty-two thousandths (0.022) grains per dry standard cubic foot and ten percent (10%) opacity.

(j) The opacity of particulate emissions from dust handling equipment shall not exceed ten percent (10%).

(k) Any facility or operation not specified in 326 IAC 6-1-11.1(d) shall meet a twenty percent (20%), three (3) minute average opacity standard.

The Permittee shall achieve these limits by controlling fugitive particulate matter emissions according to the Fugitive Dust Control Plan, submitted on December 4, 1996.

C.8 Operation of Equipment [326 IAC 2-8-5(a)(4)]

Except as otherwise provided by statute, rule or in this permit, all air pollution control equipment listed in this permit and used to comply with an applicable requirement shall be operated at all times that the emission units vented to the control equipment are in operation.

C.9 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted.

C.10 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

(a) Notification requirements apply to each owner or operator. If the combined amount of regulated asbestos containing material (RACM) to be stripped, removed or disturbed is at least 260 linear feet on pipes or 160 square feet on other facility components, or at least thirty-five (35) cubic feet on all facility components, then the notification requirements of 326 IAC 14-10-3 are mandatory. All demolition projects require notification whether or not asbestos is present.

(b) The Permittee shall ensure that a written notification is sent on a form provided by the Commissioner at least ten (10) working days before asbestos stripping or removal work or before demolition begins, per 326 IAC 14-10-3, and shall update such notice as necessary, including, but not limited to the following:

(1) When the amount of affected asbestos containing material increases or decreases by at least twenty percent (20%); or

(2) If there is a change in the following:

(A) Asbestos removal or demolition start date;

(B) Removal or demolition contractor; or

(C) Waste disposal site.

(c) The Permittee shall ensure that the notice is postmarked or delivered according to the guidelines set forth in 326 IAC 14-10-3(2).

(d) The notice to be submitted shall include the information enumerated in 326 IAC 14-10-3(3).

All required notifications shall be submitted to:

Indiana Department of Environmental Management
Asbestos Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

The notice shall include a signed certification from the owner or operator that the information provided in this notification is correct and that only Indiana licensed workers and project supervisors will be used to implement the asbestos removal project. The notifications do not require a certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(e) Procedures for Asbestos Emission Control
The Permittee shall comply with the applicable emission control procedures in 326 IAC 14-10-4 and 40 CFR 61.145(c). Per 326 IAC 14-10-1 emission control requirements are applicable for any removal or disturbance of RACM greater than three (3) linear feet on pipes or three (3) square feet on any other facility components or a total of at least 0.75 cubic feet on all facility components.

(f) Demolition and renovation
The Permittee shall thoroughly inspect the affected facility or part of the facility where the demolition or renovation will occur for the presence of asbestos pursuant to 40 CFR 61.145(a).

(g) Indiana Accredited Asbestos Inspector
The Permittee shall comply with 326 IAC 14-10-1(a) that requires the owner or operator, prior to a renovation/demolition, to use an Indiana Accredited Asbestos Inspector to thoroughly inspect the affected portion of the facility for the presence of asbestos. The requirement to use an Indiana Accredited Asbestos inspector is not federally enforceable.

Testing Requirements [326 IAC 2-8-4(3)]

C.11 Performance Testing [326 IAC 3-6]

(a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the “authorized individual” as defined by 326 IAC 2-1.1-1(1).

(b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the “authorized individual” as defined by 326 IAC 2-1.1-1(1).

(c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.12 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring

or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

C.13 Compliance Monitoring [326 IAC 2-8-4(3)] [326 IAC 2-8-5(a)(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented upon issuance of this permit. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment.

Unless otherwise specified in the approval for the new emissions unit, compliance monitoring for new emission units or emission units added through a permit revision shall be implemented when operation begins.

C.14 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing performed required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, 40 CFR 60 Appendix B, 40 CFR 63 or other approved methods as specified in this permit.

Corrective Actions and Response Steps [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

C.15 Risk Management Plan [326 IAC 2-8-4] [40 CFR 68]

If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the source must comply with the applicable requirements of 40 CFR 68.

C.16 Compliance Response Plan - Preparation, Implementation, Records, and Reports [326 IAC 2-8-4] [326 IAC 2-8-5]

(a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and is comprised of:

(1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected time frame for taking reasonable response steps.

(2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan to include such response steps taken.

(b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:

(1) Reasonable response steps shall be taken as set forth in the Permittee's current Compliance Response Plan; or

(2) If none of the reasonable response steps listed in the Compliance Response Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.

(3) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, the IDEM, OAQ shall be promptly notified of the expected date of the shut down, the status of the applicable compliance monitoring parameter with respect to normal, and the results of the actions taken up to the time of notification.

(4) Failure to take reasonable response steps shall be considered a deviation from the permit.

(c) The Permittee is not required to take any further response steps for any of the following reasons:

(1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.

(2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied.

(3) An automatic measurement was taken when the process was not operating.

(4) The process has already returned or is returning to operating within “normal” parameters and no response steps are required.

(d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.

(e) The Permittee shall record all instances when, in accordance with Section D, response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-8-12 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.

(f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.

C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-8-4] [326 IAC 2-8-5]

(a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

(b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.

(c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The response action documents submitted pursuant to this condition do require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

C.18 Emission Statement [326 IAC 2-6] [326 IAC 2-8-4(3)]

(a) The Permittee shall submit an emission statement certified pursuant to the requirements of 326 IAC 2-6. This statement must be received in accordance with the compliance schedule specified in 326 IAC 2-6-3 and must comply with the minimum requirements specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8). The statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

The emission statement does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) The emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

C.19 General Record Keeping Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-5]

(a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

(b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.20 General Reporting Requirements [326 IAC 2-8-4(3)(C)] [326 IAC 2-1.1-11]

(a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "authorized individual" as defined by 326 IAC2-1.1-1(1).

(b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

(c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail

receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

(d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(e) Reporting periods are based on calendar years.

Stratospheric Ozone Protection

C.21 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

(a) Persons opening appliances for maintenance, service, repair or disposal must comply with the required practices pursuant to 40 CFR 82.156

(b) Equipment used during the maintenance, service, repair or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.

(c) Persons performing maintenance, service, repair or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]: Paint 1 and Paint 2

(a) Two (2) railcar painting operations, known as Paint 1 and Paint 2, constructed in 1981, equipped with air atomized spray guns, exhausting to two (2) exhaust fans with dry filters to control particulate overspray, capacity: 0.200 railcars per hour total.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-8-4(1)]

D.1.1 Volatile Organic Compounds (VOC) [326 IAC 2-8-4] [326 IAC 2-3]

Pursuant to 326 IAC 2-8-4 (FESOP), the use of VOC, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month. This usage limit is required to limit the potential to emit VOC from the entire source, including insignificant activities to less than twenty-five (25) tons per year. Compliance with this limit shall render the requirements of 326 IAC 2-7 (Part 70 Permit Program) and 326 IAC 2-3 (Emissions Offset) not applicable.

D.1.2 Volatile Organic Compounds (VOC) [326 IAC 8-2-9]

Pursuant to 326 IAC 8-2-9, the owner or operator shall not allow the discharge into the atmosphere VOC in excess of three and five-tenths (3.5) pounds of VOC per gallon of coating, excluding water, as delivered to the applicator for extreme performance coatings.

D.1.3 Volatile Organic Compounds (VOC) Limitations, Clean-up Requirements [326 IAC 8-2-9]

Pursuant to 326 IAC 8-2-9(f), all solvents sprayed from the application equipment of Paint 1 and Paint 2 during cleanup or color changes shall be directed into containers. Said containers shall be closed as soon as the solvent spraying is complete. In addition, all waste solvent shall be disposed of in such a manner that minimizes evaporation.

D.1.4 Hazardous Air Pollutants (HAPs) [326 IAC 2-8-4]

(a) Pursuant to 326 IAC 2-8-4 (FESOP), the use of any single HAP, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 9.50 tons per twelve (12) consecutive month period with compliance determined at the end of each month. This usage limit is required to limit the potential to emit any single HAP from the entire source, including insignificant activities to less than ten (10) tons per year.

(b) Pursuant to 326 IAC 2-8-4 (FESOP), the use of any combination of HAPs, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 24.2 tons per twelve (12) consecutive month period with compliance determined at the end of each month. This usage limit is required to limit the potential to emit any combination of HAPs from the entire source, including insignificant activities to less than twenty-five (25) tons per year.

Compliance with these limits shall render the requirements of 326 IAC 2-7 (the Part 70 rules) not applicable.

D.1.5 Particulate (PM) and Particulate Matter Less Than Ten Microns (PM_{10}) [326 IAC 2-8-4] [326 IAC 2-3] [326 IAC 6-1-1(a)(2)]

Pursuant to 326 IAC 2-8-4 (FESOP) and 236 IAC 6-1-1(a)(2), the input of solids to the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed a total of 268 tons per twelve

(12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each, based on a minimum transfer efficiency and a minimum control efficiency of fifty percent (50%) each. This usage limit is required to limit the potential to emit of PM and PM_{10} from the entire source, including insignificant activities to less than one hundred (100) tons per year.

Compliance with this limit in combination with the limit in Condition D.2.1 shall render the requirements of 326 IAC 2-7 (the Part 70 rules), 326 IAC 2-3 (Emissions Offset) and 326 IAC 6-1 (Nonattainment Are Particulate Limitations) not applicable.

D.1.6 Particulate Matter (PM) [40 CFR 52, Subpart P]

Pursuant to F 089-5874-00370, issued on September 21, 1998, and 40 CFR 52 Subpart P, the PM from the two (2) railcar painting operations (Paint 1 and Paint 2) shall not exceed the pound per hour emission rate established as E in the following formula:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

D.1.7 Particulate [326 IAC 6-3-2(d)]

Pursuant to 326 IAC 6-3-2(d), particulate from the surface coating shall be controlled by a dry particulate filter and the Permittee shall operate the control device in accordance with manufacturer's specifications.

D.1.8 Preventive Maintenance Plan [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and any control devices.

Compliance Determination Requirements

D.1.9 Volatile Organic Compounds (VOCs) an Hazardous Air Pollutants (HAPs) [326 IAC 8-1-2] [326 IAC 8-1-4]

Compliance with the VOCs and HAPs usage limitations contained in Conditions D.1.1 and D.1.4 shall be determined pursuant to 326 IAC 8-1-4(a)(3) and 326 IAC 8-1-2(a) by preparing or obtaining from the manufacturer the copies of the "as supplied" and "as applied" VOC and HAP data sheets. IDEM, OAQ, reserves the authority to determine compliance using Method 24 in conjunction with the analytical procedures specified in 326 IAC 8-1-4.

D.1.10 Volatile Organic Compounds (VOC) [326 IAC 8-1-2]

Compliance with the VOC content limit in Condition D.1.2 shall be determined pursuant to 326 IAC 8-1-2(a)(7), using a volume weighted average of coatings on a daily basis. This volume weighted average shall be determined by the following equation:

$A = [\ 3\ C \times U) / 3\ U]$

Where: A is the volume weighted average in pounds VOC per gallon less water as applied;
C is the VOC content of the coating in pounds VOC per gallon less water as applied;
and U is the usage rate of the coating in gallons per day.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

D.1.11 Monitoring

(a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the filters. To monitor the performance of the dry filters, weekly observations shall be made

of the overspray from the exhaust fans while these facilities are in operation. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Response Plan -Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(b) Monthly inspections shall be performed of the coating emissions from the exhaust fans and the presence of overspray on the nearby ground. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when a noticeable change in overspray emission, or evidence of overspray emission is observed. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Response Plan -Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(c) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

D.1.12 Record Keeping Requirements

(a) To document compliance with Conditions D.1.1, D.1.2, and D.1.4, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken as stated below and shall be complete and sufficient to establish compliance with the VOC and HAP usage limits established in Conditions D.1.1, D.1.2, and D.1.4.

(1) The VOC and HAP content of each coating material and solvent used.

(2) The amount of coating material and solvent less water used on daily basis.

(A) Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.

(B) Solvent usage records shall differentiate between those added to coatings and those used as cleanup solvents.

(3) The volume weighted VOC content of the coatings used for each day;

(4) The cleanup solvent usage for each month;

(5) The total VOC and HAP usage for each month; and

(6) The weight of VOCs and HAPs emitted for each compliance period.

(b) To document compliance with Condition D.1.5, the Permittee shall maintain records of the input of solids to the two (2) railcar painting operations each month;

(c) To document compliance with Condition D.1.11, the Permittee shall maintain a log of weekly overspray observations, daily and monthly inspections, and those additional inspections prescribed by the Preventive Maintenance Plan.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.13 Reporting Requirements

A quarterly summary of the information to document compliance with Conditions D.1.1, D.1.4, and D.1.5, shall be submitted to the addresses listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-8-4(10)]: Shotblast 1

(b) One (1) enclosed shotblasting operation, known as Shotblast 1, constructed in 1998, equipped with an ultra-web filter, exhausting to a stack, capacity: 1,900 pounds of steel shot per hour and 0.13 railcars (9,100 pounds) per hour.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-8-4(1)]

D.2.1 Particulate (PM) and Particulate Matter Less Than Ten Microns (PM_{10}) [326 IAC 2-8-4] [326 IAC 2-3] [326 IAC 6-1-1(a)(2)]

Pursuant to 326 IAC 2-8-4 (FESOP) and 326 IAC 6-1-1(a)(2), the PM and PM_{10} emission rate from the one (1) shotblasting operation, identified as Shotblast 1, shall be limited to less than 5.13 pounds per hour, equivalent to less than 22.5 tons of PM and PM_{10} per year. This will limit the potential to emit of PM and PM_{10} from the entire source, including insignificant activities to less than one hundred (100) tons per year. Compliance with this limit in combination with the limit in Condition D.1.5 shall render the requirements of 326 IAC 2-7 (the Part 70 rules), 326 IAC 2-3 (Emissions Offset) and 326 IAC 6-1 (Nonattainment Are Particulate Limitations) not applicable.

D.2.2 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the one shotblasting operation, identified as Shotblast 1, shall not exceed 12.4 pounds per hour when operating at a process weight rate of 11,000 pounds per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and P = process weight rate in tons per hour

D.2.3 Preventive Maintenance Plan [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for this facility and its control device.

Compliance Determination Requirements

There are no specific Compliance Determination Requirements applicable to this emission unit.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

D.2.4 Visible Emissions Notations

(a) Visible emission notations of the one (1) shotblasting operation stack exhaust shall be performed once per shift during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

(e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan -Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

D.2.5 Monitoring

(a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the ultra-web filters. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(b) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

Record Keeping and Reporting Requirement [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

D.2.6 Record Keeping Requirements

(a) To document compliance with Condition D.2.4, the Permittee shall maintain records of visible emission notations of the one (1) shotblasting operation stack exhaust once per shift.

(b) To document compliance with Condition D.2.5, the Permittee shall maintain a log of daily inspections and those additional inspections prescribed by the Preventive Maintenance Plan.

(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.3 FACILITY CONDITIONS

Facility Description [326 IAC 2-8-4(10)]: Insignificant Activities

(a) One (1) natural gas-fired boiler, constructed in 1985, exhausting to a stack, heat input capacity: 0.980 million British thermal units per hour. (326 IAC 6-2-4)

(b) Five (5) metal inert gas (MIG) welding stations, using 7053 welding wire, capacity: 5.00 pounds of welding wire per hour each.

(c) Five (5) metal inert gas (MIG) welding stations, using 6053 welding wire, capacity: 2.00 pounds of welding wire hour each.

(d) Two (2) stick welding stations, using 6013 electrode, capacity: 2.00 pounds of electrode per hour each.

(e) Two (2) stick welding stations, using 7058 electrode, capacity: 2.00 pounds of electrode per hour each.

(f) Unpaved roads.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-8-4(1)]

D.3.1 Particulate [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4(a), the particulate from the one (1) insignificant boiler, constructed in 1985, rated at 0.980 million British thermal units per hour, shall not exceed 0.6 pounds per million British thermal units.

Compliance Determination Requirements

There are no specific Compliance Determination Requirements applicable to these insignificant activities.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

There are no specific Compliance Monitoring Requirements applicable to these insignificant activities.

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

There are no specific Record Keeping and Reporting Requirements applicable to these insignificant activities.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP) CERTIFICATION

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370

This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.

Please check what document is being certified:

9 Annual Compliance Certification Letter

9 Test Result (specify) _____

9 Report (specify) _____

9 Notification (specify) _____

9 Affidavit (specify) _____

9 Other (specify) _____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
Signature:
Printed Name:
Title/Position:
Phone:
Date:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

COMPLIANCE BRANCH
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
Phone: 317-233-5674
Fax: 317-233-5967

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
EMERGENCY OCCURRENCE REPORT

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370

This form consists of 2 pages **Page 1 of 2**

9 This is an emergency as defined in 326 IAC 2-7-1(12)

- The Permittee must notify the Office of Air Quality (OAQ), within four (**4**) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
- The Permittee must submit notice in writing or by facsimile within two (**2**) working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency:
Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A **Page 2 of 2**

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO_2, VOC, NO_X, CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____

Title / Position: _____

Date: _____

Phone: _____

A certification is not required for this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FESOP Quarterly Report

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370
Facilities: Paint 1 and Paint 2
Parameter: Use of VOC including coatings, dilution solvents, and cleaning solvents
Limit: Shall not exceed 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

YEAR: _____

Month	VOC Usage (tons)	VOC Usage (tons)	VOC Usage (tons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on:_____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FESOP Quarterly Report

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370
Facilities: Paint 1 and Paint 2
Parameter: Use of a Single HAP including coatings, dilution solvents, and cleaning solvents
Limit: Shall not exceed 9.50 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

YEAR: _____

Month	Single HAP Usage (tons)	Single HAP Usage (tons)	Single HAP Usage (tons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on:_____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FESOP Quarterly Report

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370
Facilities: Paint 1 and Paint 2
Parameter: Use of Combination of HAPs including coatings, dilution solvents, and cleaning solvents
Limit: Shall not exceed 24.2 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

YEAR: _____

Month	Combination of HAPs Usage (tons)	Combination of HAPs Usage (tons)	Combination of HAPs Usage (tons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on: _____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FESOP Quarterly Report

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370
Facilities: Paint 1 and Paint 2
Parameter: Input of Solids
Limit: Shall not exceed a total of 268 tons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each.

YEAR: _____

Month	Input of Solids (Tons)	Input of Solids (Tons)	Input of Solids (Tons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on:_____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: Hoosier Railcar, Inc.
Source Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
Mailing Address: 3915 Kennedy Avenue, East Chicago, Indiana 46312
FESOP No.: F 089-15714-00370

Months: _____ to _____ Year: _____

This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".
9 NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.
9 THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Page 2 of 2

Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	**Duration of Deviation:**
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on: ______________________

Form Completed By: ____

Title/Position: ____

Date: ____

Phone: ____

Attach a signed certification to complete this report.

Indiana Department of Environmental Management
Office of Air Quality

Technical Support Document (TSD)
for a Federally Enforceable State Operating Permit (FESOP) Renewal

Source Background and Description

Source Name:	**Hoosier Railcar, Inc.**
Source Location:	**3915 Kennedy Avenue, East Chicago, Indiana 46312**
County:	**Lake**
SIC Code:	**3743**
Operation Permit No.:	**F 089-15714-00370**
Permit Reviewer:	**Michael S. Schaffer**

The Office of Air Quality (OAQ) has reviewed a FESOP renewal application from Hoosier Railcar, Inc. relating to the operation of railcar coating and repair source. Hoosier Railcar, Inc. was issued FESOP 089-5874-00370, on September 21, 1998.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

(a) Two (2) railcar painting operations, known as Paint 1 and Paint 2, constructed in 1981, equipped with air atomized spray guns, exhausting to two (2) exhaust fans with dry filters to control particulate overspray, capacity: 0.200 railcars per hour total.

(b) One (1) enclosed shotblasting operation, known as Shotblast 1 (formerly known as Sand-blast 1 in F 089-5874-00370, issued on September 21, 1998), constructed in 1998, equipped with an ultra-web filter, exhausting to a stack, capacity: 1,900 pounds of steel shot per hour and 0.13 railcars (9,100 pounds) per hour.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

(a) One (1) natural gas-fired boiler, constructed in 1985, exhausting to a stack, heat input capacity: 0.980 million British thermal units per hour. (326 IAC 6-2-4)

(b) Five (5) metal inert gas (MIG) welding stations, using 7053 welding wire, capacity: 5.00 pounds of welding wire per hour each.

(c) Five (5) metal inert gas (MIG) welding stations, using 6053 welding wire, capacity: 2.00 pounds of welding wire hour each.

(d) Two (2) stick welding stations, using 6013 electrode, capacity: 2.00 pounds of electrode per hour each.

(e) Two (2) stick welding stations, using 7058 electrode, capacity: 2.00 pounds of electrode per hour each.

(f) Unpaved roads.

Existing Approvals

The source has been operating under the following previous approvals including:

FESOP 089-5874-00370, issued on September 21, 1998.

All terms and conditions from previous approvals issued pursuant to the permitting programs approved into the State Implementation Plan have been either incorporated as originally stated, revised, or deleted by this permit. All previous approvals are superseded by this permit.

The following terms and conditions from previous approval have been determined to be no longer applicable, and, therefore, are not incorporated into this permit:

FESOP 089-5874-00370, issued on September 21, 1998;

(a) Condition D.1.1(c), Volatile Organic Compound which states: The amount of volatile organic compound (VOC) delivered to the applicators plus the amount of VOCs used for clean-up shall not exceed 2.0 tons per month. Therefore, the requirements of 326 IAC 2-7 do not apply.

Reason not incorporated: The use of VOC, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, are limited in this permit to no more than a total of 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month. This, in addition to 0.024 tons of VOC per year from the insignificant natural gas-fired boiler, results in a total potential to emit of less than twenty-five (25) tons per year at the entire source. Therefore, the requirements of 326 IAC 2-7 still do not apply.

(b) Conditions D.1.2(a) and (b), Hazardous Air Pollutants, which states: The amount of any single hazardous air pollutant (HAP) delivered to the applicator plus the amount of any single HAP used for clean-up shall not exceed 0.75 tons per month and the amount of any combination of HAPs delivered to the applicator plus the amount of any combination of HAPs used for clean-up shall not exceed 2.00 tons per month.

Reason not incorporated: The use of any single HAP including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, are limited in this permit to no more than 9.50 tons per twelve (12) consecutive month period with compliance determined at the end of each month and the use of any combination of HAPs including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, are limited in this permit to no more than 24.2 tons per twelve (12) consecutive month period with compliance determined at the end of each month. Therefore, the requirements of 326 IAC 2-7 still do not apply.

(c) Condition D.2.1, Particulate Matter less than ten microns (PM_{10}), which states: Pursuant to 326 IAC 2-8 (FESOP), the PM_{10} emissions from the sand blasting system shall not exceed 17.2 pounds per hour. Therefore, the requirements of 326 IAC 2-7 (Part 70) will not apply.

Reason not incorporated: The unrestricted potential PM_{10} emission rate from the one (1) shotblasting operation (formerly one (1) sandblaster) is 6.54 pounds per hour. However, since the PM emission rate must be limited to less than 5.17 pounds per hour, equivalent to 22.5 tons of PM per year and PM_{10} emission rate from a shotblaster cannot be higher than the PM, emission rate, the one (1) shotblasting operation is limited in this permit to less than 5.13 pounds of PM and PM_{10} per hour equivalent to 22.5 tons per year. This, in combination with a PM and PM_{10} limit for the two (2) railcar painting operations will render the requirements of 326 IAC 2-7 and 326 IAC 6-1 not applicable.

(d) Condition D.2.2, Particulate Matter - Pursuant to 326 IAC 6-1-2, the particulate matter emission from the sand blasting operation shall not exceed 0.03 grains per dry standard cubic foot (dscf).

Reason not incorporated: Hoosier Railcar, Inc. has elected to limit the potential to emit particulate from the entire source to less than one hundred (100) tons per year and properly operate the ultra-web filter to assure that the actual particulate emissions are less than ten (10) tons per year. Pursuant to 326 IAC 6-1-1(a)(2), compliance with these limitations will render the requirements of 326 IAC 6-1 not applicable.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the FESOP Renewal be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An administratively complete FESOP Renewal application for the purposes of this review was received on July 6, 2002. Additional information was received on September 30, 2002, and December 9, 2002, as well as January 13, 28, 30, and 31, 2003, February 17, 2003 and March 27, 2003.

Emission Calculations

See Pages 1 through 7 of 7 of Appendix A of this document for detailed emissions calculations.

Unrestricted Potential Emissions

This table reflects the unrestricted potential emissions of the source, excluding the emission limits that will be contained in this FESOP Renewal.

Pollutant	**Unrestricted Potential Emissions** (tons/year)
PM	151
PM_{10}	139
SO_2	0.003

Pollutant	Unrestricted Potential Emissions (tons/year)
VOC	120
CO	0.361
NO_X	0.429

Note: For the purpose of determining Title V applicability for particulates, PM_{10}, not PM, is the regulated pollutant in consideration.

HAPs	Unrestricted Potential Emissions (tons/year)
Xylene	49.1
Toluene	38.8
Naphthalene	37.1
Ethyl Benzene	24.5
Triethylamine	3.50
Benzene	0.00001
Dichlorobenzene	0.00001
Formaldehyde	0.0003
Hexane	0.008
Lead	0.000002
Cadmium	0.000005
Chromium	0.234
Manganese	0.295
Nickel	0.083
Cobalt	0.002
TOTAL	78.4

(a) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of VOC is equal to or greater than twenty-five (25) tons per year in Lake County and the potential to emit PM_{10} is greater than one hundred (100) tons per year in Lake County. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(b) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any single HAP is equal to or greater than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any combination HAPs is equal to or greater than twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(c) Fugitive Emissions
Since this type of operation is not one of the twenty-eight (28) listed source categories under 326 IAC 2-2 and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive emissions are not counted toward determination of PSD and Emission Offset applicability.

Potential to Emit After Issuance

The source, issued a FESOP on September 21, 1998, has opted to remain a FESOP source, rather than apply for a Part 70 Operating Permit. The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered enforceable only after issuance of the Federally Enforceable State Operating Permit and only to the extent that the effect of the control equipment is made practically enforceable in the permit. Since the source has not constructed any new emission units, the source's potential to emit is based on the emission units included in the original FESOP (F 089-5874-00370, issued on September 21, 1998).

	Potential to Emit After Issuance (tons/year)						
Process/emission unit	**PM**	**PM_{10}**	**SO_2**	**VOC**	**CO**	**NO_X**	**HAPs**
Paint 1 and Paint 2	67.0 Before Controls 3.36 After Controls	67.0 Before Controls 3.36 After Controls	-	24.9	-	-	Single 9.50 Total 24.2
Shotblast 1	Less Than 22.5 Before Controls 0.0003 After Controls	Less than 22.5 Before Controls 0.0001 After Controls	-	-	-	-	-
One (1) Insignificant Natural Gas-Fired Boiler	0.008	0.033	0.003	0.024	0.361	0.439	Single 0.008 Total 0.008
Insignificant Welding and Flame Cutting Operations	1.59	1.59	-	-	-	-	Single 0.295 Total 0.614
Unpaved Roads	8.66 Before Controls 4.33 After Controls	2.17 Before Controls 1.085 After Controls	-	-	-	-	-
Total PTE After Issuance	Less than 100 Before Controls Less than 10 After Controls	Less than 100 Before Controls 6.03 After Controls	0.003	Less than 25	0.361	0.439	Single less than 10 Total less than 25

Note that Hoosier Railcar, Inc. has elected to limit the potential to emit particulate emissions from the entire source to less than one hundred (100) tons year. Furthermore, by operating the particulate control devices at this source properly, it is insured that the actual particulate emissions from the entire source will be less than ten (10) tons per year. Pursuant to 326 IAC 6-1-1(a)(2), the

requirements of 326 IAC 6-1-2 will not apply to sources that have potential particulate emissions less than one hundred (100) tons per year and actual particulate emissions of less than ten (10) tons per year.

Hoosier Railcar, Inc. has elected to take the following PTE limitations (as reflected in the table above) pursuant to 326 IAC 2-8-4 (FESOP), 326 IAC 2-3 (Emissions Offset) and 326 IAC 6-1 (Nonattainment Area Particulate Limitations):

(a) The use of VOC, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(b) The input of solids to the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed a total of 268 tons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each, based on a minimum transfer efficiency and a minimum control efficiency of fifty percent (50%) each.

(c) The use of any single HAP, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 9.50 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(d) The use of any combination of HAPs, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 24.2 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(e) The PM and PM_{10} emission rate from the one (1) shotblasting operation, identified as Shotblast 1, shall be limited to less than 5.13 pounds per hour, equivalent to less than 22.5 tons of PM and PM_{10} per year.

Compliance with the preceding limitations will render the requirements of 326 IAC 2-3 and 326 IAC 2-7 not applicable. (See the Emissions Offset and FESOP Sections of this document for details)

County Attainment Status

The source is located in Lake County.

Pollutant	Status
PM_{10}*	Moderate Nonattainment
SO_2	Primary Nonattainment
NO_2	Attainment
Ozone	Severe Nonattainment
CO	Primary Nonattainment
Lead	Attainment

* Even though as of March 11, 2003 East Chicago has been redesignated by the USEPA to an attainment portion of Lake County for PM_{10} emissions, pursuant to

326 IAC 1-4-1, East Chicago will still be evaluated as a moderate non-attainment portion of Lake County until a rule change to redesignate PM_{10} to attainment in 326 IAC 1-4-1 has been implemented.

(a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Lake County has been designated as nonattainment for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Emission Offset, 326 IAC 2-3.

(b) Lake County has been classified as nonattainment for PM_{10}, SO_2 and CO. Therefore, these emissions were reviewed pursuant to the requirements for Emission Offset, 326 IAC 2-3.

Federal Rule Applicability

(a) The one (1) insignificant boiler rated at 0.980 million British thermal units per hour, constructed after June 19, 1984, but on or before June 19, 1986, is not subject to New Source Performance Standards (NSPS), 40 CFR Part 60, Subpart Db, because the heat input capacity of the one (1) boiler is less than 29 megawatts (100 million British thermal units per hour).

(b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14, 326 IAC 20, 40 CFR Part 61 and 40 CFR Part 63) applicable to this source.

(c) The requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are not applicable to this source because the source is not a major source of HAPs (i.e., the source has limited the potential to emit to less than (10) tons per year of a single HAP and to less than twenty-five (25) tons per year of a combination of HAPs).

State Rule Applicability - Entire Source

326 IAC 1-6-3 (Preventive Maintenance Plan)

The source has submitted a Preventive Maintenance Plan (PMP) on September 30, 2002. This PMP has been verified to fulfill the requirements of 326 IAC 1-6-3 (Preventive Maintenance Plan).

326 IAC 2-3 (Emissions Offset)

This source was constructed in 1981. Because this source is located in Lake County, the amount of VOC will be limited to less than twenty-five (25) tons per year and PM_{10} will be limited to less than one hundred (100) tons per year.

(a) In order to limit the potential to emit VOC from the entire source to less than twenty-five (25) tons per year, the source has requested that the use of VOC, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, will not exceed 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(b) In order to limit the potential to emit PM_{10} from the entire source to less than one hundred (100) tons per year, the input of solids to the two (2) railcar painting operations, identified as Paint 1 and Paint 2, will not exceed a total of 268 tons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each, based on a minimum transfer efficiency and a minimum control efficiency of fifty percent (50%) each.

(c) In order to limit the potential to emit PM and PM_{10} from the entire source to less than one hundred (100) tons per year, the PM and PM_{10} emission rate from the one (1) shotblasting operation, identified as Shotblast 1, will be limited to less than 5.13 pounds per hour, equivalent to less than 22.5 tons of PM and PM_{10} per year.

Note that the limits in paragraphs (b) and (c) will also render the requirements of 326 IAC 2-7 and 326 IAC 6-1 not applicable.

326 IAC 2-4.1-1 (New Source Toxics Control)

The equipment at this source was constructed before June 27, 1998, the potential to emit of any single HAP from the entire source is limited to less than ten (10) tons per year and the potential emit of any combination of HAPs from the entire source is limited less than twenty-five (25) tons per year. Therefore, the requirements of 326 IAC 2.4.1-1 do not apply to this source.

326 IAC 2-6 (Emission Reporting)

This source is subject to 326 IAC 2-6 (Emission Reporting), because it has the potential to emit of more than ten (10) tons per year of VOC in Lake County. Pursuant to this rule, the owner/operator of the source must submit an emission statement for the source. The statement must be received in accordance with the compliance schedule specified in 326 IAC 2-6 and contain the minimum requirement as specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8).

326 IAC 2-8-4 (FESOP)

Pursuant to this rule, the amount of PM_{10} shall be limited to less than one hundred (100) tons per year. In addition, the amount of a single HAP shall be limited to less than ten (10) tons per year and the combination of all HAPs shall be limited to less than twenty-five (25) tons per year. Furthermore, because this source is located in Lake County, the amount of VOC shall be limited to less than twenty-five (25) tons per year. Therefore, the requirements of 326 IAC 2-7, do not apply.

(a) In order to limit the potential to emit VOC from the entire source to less than twenty-five (25) tons per year, the use of VOC, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, will not exceed 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(b) In order to limit the potential to emit PM_{10} from the entire source to less than one hundred (100) tons per year, the input of solids to the two (2) railcar painting operations, identified as Paint 1 and Paint 2, will not exceed a total of 268 tons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each, based on a minimum transfer efficiency and a minimum control efficiency of fifty percent (50%) each.

(c) In order to limit the potential to emit PM and PM_{10} from the entire source to less than one hundred (100) tons per year, the PM and PM_{10} emission rate from the one (1) shotblasting operation, identified as Shotblast 1, will be limited to less than 5.13 pounds per hour, equivalent to less than 22.5 tons of PM and PM_{10} per year.

Note that the limits in paragraphs (b) and (c) will also render the requirements of 326 IAC 6-1 not applicable.

(d) In order to limit the potential to emit of any single HAP from the entire source to less than ten (10) tons per year, the use of any single HAP, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 9.50 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

(e) In order to limit the potential to emit of any combination of HAPs from the entire source to less than twenty-five (25) tons per year, the use of any combination of HAPs, including coatings, dilution solvents, and cleaning solvents, at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall not exceed 24.2 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

Compliance with the above limits will render the requirements of 326 IAC 2-7 not applicable.

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

(a) Opacity shall not exceed an average of twenty percent (20%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 6-1-11.1 (Lake County Fugitive Particulate Matter Control Requirements)

This source is located in Lake County and has the potential to emit fugitive particulate matter in excess of five (5) tons per year, therefore, this source is subject to the requirements of 326 IAC 6-1-11.1. A summary of the requirements is as follows:

(a) The average instantaneous opacity of fugitive particulate emissions from a paved road shall not exceed ten percent (10%).

(b) The average instantaneous opacity of fugitive particulate emissions from an unpaved road shall not exceed ten percent (10%).

(c) The average instantaneous opacity of fugitive particulate emissions from batch transfer shall not exceed ten percent (10%).

(d) The opacity of fugitive particulate emissions from continuous transfer of material onto and out of storage piles shall not exceed ten percent (10%) on a three (3) minute average.

(e) The opacity of fugitive particulate emissions from storage piles shall not exceed ten percent (10%) on a six (6) minute average.

(f) There shall be a zero percent (0%) frequency of visible emission observations of a material during the inplant transportation of material by truck or rail at any time.

(g) The opacity of fugitive particulate emissions from the inplant transportation of material by

front end loaders and skip hoists shall not exceed ten percent (10%).

(h) There shall be an zero percent (0%) frequency of visible emission observations from a building enclosing all or part of the material processing equipment, except from a vent in the building.

(i) The PM_{10} emissions from building vents shall not exceed twenty-two thousandths (0.022) grains per dry standard cubic foot and ten percent (10%) opacity.

(j) The opacity of particulate emissions from dust handling equipment shall not exceed ten percent (10%).

(k) Any facility or operation not specified in 326 IAC 6-1-11.1(d) shall meet a twenty percent (20%), three (3) minute average opacity standard.

The Permittee shall achieve these limits by controlling fugitive particulate matter emissions according to the Fugitive Dust Control Plan, submitted on December 4, 1996. The plan consists of adequate wet suppression of dust from unpaved roadways on an "as needed" basis.

326 IAC 6-4 (Fugitive Dust Emissions Limitations)

This rule requires that the source not generate fugitive dust to the extent that some portion of the material escapes beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located.

326 IAC 6-5 (Fugitive Particulate Matter Emissions Limitations)

The potential to emit of fugitive particulate matter from the entire source is less than twenty-five (25) tons per year. Therefore, pursuant to 326 IAC 6-5-1(a), the requirements of 326 IAC 6-5 do not apply.

326 IAC 7-1.1-2 (Sulfur Dioxide Emission Limitations)

This rule does not apply because no facility has the potential to emit greater than ten (10) pounds of SO_2 per hour or twenty-five (25) tons of SO_2 per year.

326 IAC 7-4-1.1 (Sulfur Dioxide Emission Limitations: Lake County)

This rule does not apply because no facility has the potential to emit greater than ten (10) pounds of SO_2 per hour or twenty-five (25) tons of SO_2 per year.

State Rule Applicability - Individual Facilities

326 IAC 6-1 (Nonattainment Area Particulate Limitations)

Lake County was a nonattainment county for particulate matter. Even though Lake County is now an attainment county for particulate matter, to ensure that Lake County does not become a nonattainment county once more, the requirements of 326 IAC 6-1 could still apply to all the facilities at this source. However, pursuant to 326 IAC 6-1-1(a)(2), the limitations in 326 IAC 6-1-2 do not apply to source if the facilities at that source are not listed in 326 IAC 6-1-8.1 through 326 IAC 6-1-18 and if the potential to emit of the entire source is less than one hundred (100) tons of particulate per year and the actual particulate emissions of the entire source are less than ten (10) tons per year.

Hoosier Railcar, Inc. has elected to take the following limits in order to the limit the potential to emit particulate from the entire source and to less than one hundred (100) tons per year:

(a) In order to limit the potential to emit PM_{10} from the entire source to less than one hundred (100) tons per year, the input of solids to the two (2) railcar painting operations, identified as Paint 1 and Paint 2, will not exceed a total of 268 tons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 67.0 tons of PM and PM_{10} per year each, based on a minimum transfer efficiency and a minimum control efficiency of fifty percent (50%) each.

(b) In order to limit the potential to emit PM and PM_{10} from the entire source to less than one hundred (100) tons per year, the PM and PM_{10} emission rate from the one (1) shotblasting operation, identified as Shotblast 1, will be limited to less than 5.13 pounds per hour, equivalent to less than 22.5 tons of PM and PM_{10} per year.

Since Hoosier Railcar, Inc. will be required to properly operate and maintain the dry filters in the two (2) railcar painting operations, and the ultra-web filter in the one (1) shotblaster, it is insured that the actual particulate emissions from the entire source will not exceed ten (10) tons per year. Therefore, compliance with the above limitation will render the requirements of 326 IAC 6-1 not applicable.

326 IAC 6-2-4 (Particulate Emissions Limitations for Facilities Constructed after September 21, 1983)

The one (1) insignificant boiler, constructed in 1985, must comply with the requirements of 326 IAC 6-2-4. The emission limitations are based on the following equation is given in 326 IAC 6-2-4:

$$Pt = 1.09/Q^{0.26}$$

where:

Pt = Pounds of particulate matter emitted per million British thermal units (lb/MMBtu) heat input

Q = Total source maximum operating capacity rating in million British thermal units per hour (MMBtu/hr) heat input. The maximum operating capacity rating is defined as the maximum capacity at which the facility is operated or the nameplate capacity, whichever is specified in the facility's permit application, except when some lower capacity is contained in the facility's operation permit; in which case, the capacity specified in the operation permit shall be used.

The heat input capacity of the one (1) insignificant boiler, constructed in 1985, is 0.980 million British thermal units per hour, total.

$$Pt = 1.09/(0.980)^{0.26} = 1.10 \text{ lb/MMBtu heat input}$$

Pursuant to 326 IAC 6-2-4(a), for Q less than 10 million British thermal units per hour, Pt shall not exceed 0.6 pounds of particulate per million British thermal units.

Based on AP-42 emission factors, the particulate emissions from the one (1) boiler is as follows:

1.9 lb PM/mmcf x 1 mmcf/1,000 MMBtu = 0.0019 lb PM/MMBtu

Therefore, the one (1) insignificant boiler, constructed in 1985, will comply with this rule.

On June 12, 2002, revisions to 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes) became effective; this rule was previously referred to as 326 IAC 6-3 (Process Operations). As of the date this permit is being issued these revisions have not been approved by EPA into the Indiana State Implementation Plan (SIP); therefore, the following requirements from the previous version of 326 IAC 6-3 (Process Operations) which has been approved into the SIP will remain applicable requirements until the revisions to 326 IAC 6-3 are approved into the SIP and the condition is modified in a subsequent permit action.

326 IAC 6-3 (Process Operations)

Pursuant to F 089-5874-00370, issued on September 21, 1998, and 40 CFR 52 Subpart P the particulate matter (PM) from the two (2) railcar painting operations, identified as Paint 1 and Paint 2, shall be limited by the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

Pursuant 326 IAC 6-3-2(d), under the rule revision, particulate from the shall be controlled by a dry particulate filter and the Permittee will operate the control device in accordance with manufacturer's specifications. Note that in order to comply with the rule revision Hoosier Railcar, Inc. will install exhaust fans with dry filters in the two (2) railcar painting operations, identified as Paint 1 and Paint 2.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

(a) Pursuant to 40 CFR 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate from the one (1) shotblasting operation, identified as Shotblast 1, shall not exceed 12.8 pounds per hour when operating at a process weight rate of 5.50 tons (11,000 pounds) per hour. This limitation is based upon the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

The ultra web filter does not have to be in operation at all times to comply with this limit because the unrestricted potential to emit of the one (1) shot blasting operation is less than 12.8 tons per year.

(b) Pursuant to 326 IAC 6-3-1(b)(9), the ten (10) insignificant metal inert gas (MIG) welding stations, are not subject to the requirements of 326 IAC 6-3-2 because less than a total of 625 pounds of rod or wire per hour is consumed by those stations.

(c) Pursuant to 326 IAC 6-3-1(b)(9), the four (4) insignificant stick welding stations, are not subject to the requirements of 326 IAC 6-3-2 because less than a total of 625 pounds of rod or wire per hour is consumed by those stations.

326 IAC 8-2-9 (Miscellaneous Metal Coating)

Miscellaneous metal coatings occur at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, and coat metal parts or products under the Standard Industrial Classification Code of major group 37. These facilities were constructed after November 1, 1980 and the potential to emit VOC from the entire source is greater than fifteen (15) pounds per day. Therefore, the following requirements of 326 IAC 8-2-9 apply to the two (2) railcar coating operation:

Pursuant to 326 IAC 8-2-9(d) this source may not cause, allow, or permit the discharge into the atmosphere of any volatile organic compounds in excess of the following while Paint 1 and Paint 2 are in operation:

(a) Forty-two hundredths (0.42) kilograms per liter (three and five-tenths (3.5) pounds per gallon) of coating, excluding water, is delivered to a coating applicator that applies extreme performance coatings.

Pursuant to 326 IAC 8-2-9 (e), if more than one (1) emission limitation applies to a specific coating, then the least stringent emission limitation shall be applied.

(b) Pursuant to 326 IAC 8-2-9 (f), solvent sprayed from application equipment during cleanup or color changes shall be directed into containers. Such containers shall be closed as soon as such solvent spraying is complete, and the waste solvent shall be disposed of in such a manner that evaporation is minimized.

Not all of the coatings used at the two (2) railcar painting operations, identified as Paint 1 and Paint 2, are in compliance with this requirement. The source shall comply with this rule by calculating the daily volume weighted average of VOC content for the two (2) railcar painting operations, identified as Paint 1 and Paint 2, using the following equation:

$$A = [3\ C \times U) / 3\ U]$$

Where: A is the volume weighted average in pounds VOC per gallon less water as applied;

C is the VOC content of the coating in pounds VOC per gallon less water as applied; and

U is the usage rate of the coating in gallons per day.

Testing Requirements

No previous stack tests were required or performed.

(a) There will be no testing requirements for the two (2) railcar painting operations because VOC emissions are uncontrolled and PM_{10} emissions will be controlled by dry filters which must operated in accordance with manufacturer's specifications as well as inspected daily.

(b) There will be no testing requirements for PM and PM_{10} emissions from the one (1) shot-blasting operation because the potential to emit PM and PM_{10} after controls from this facility are less than 0.001 tons per year. Therefore, requiring to the ultra web filters to be in operation at all times as well as the compliance monitoring requiring daily inspection of the ultra web filter and the record keeping of those inspections are sufficient requirements to demonstrate compliance with the PM and PM_{10} emission limitations that will be required in

this FESOP Renewal.

Compliance Requirements

Permits issued under 326 IAC 2-8 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-8-4. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

The compliance monitoring requirements applicable to this source are as follows:

(a) The two (2) railcar painting operations, identified as Paint 1 and Paint 2, have applicable compliance monitoring conditions as specified below:

(1) Daily inspections shall be performed to verify the placement, integrity and particle loading of the filters for the two (2) railcar painting operations, identified as Paint 1 and Paint 2. To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the exhaust fans while these facilities are in operation. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(2) Monthly inspections shall be performed of the coating emissions from the two (2) railcar painting operation exhaust fans for the presence of overspray on the nearby ground. The Compliance Response Plan for these units shall contain troubleshooting contingency and response steps for when an overspray emission, evidence of overspray emission, or other abnormal emission is observed. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(3) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

(b) The one (1) shotblasting operation has applicable compliance monitoring conditions as specified below:

(1) Visible emissions notations of the shot blasting operation stack exhaust shall be performed once per shift during normal daylight operations when exhausting to the

atmosphere. A trained employee will record whether emissions are normal or abnormal. For processes operated continuously "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(2) Daily inspections shall be performed to verify the placement, integrity and particle loading of the ultra-web filters. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

(3) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

These monitoring conditions are necessary because the two (2) railcar painting operations and the one (1) shotblasting operation must operate properly to ensure compliance with 326 IAC 6-3 (Process Operations) and 326 IAC 2-8 (FESOP).

Conclusion

The operation of this railcar coating and repair source shall be subject to the conditions of the attached proposed FESOP Renewal No.: F 089-15714-00070.

Appendix A: Emissions Calculations
VOC and Particulate
From Surface Coating Operations

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 089-00370
Reviewer: Michael S. Schaffer
Date: June 6, 2002

Unrestricted Potential to Emit

Material	Density (lbs/gal)	Weight % Volatile (H20 & Organics)	Weight % Water	Weight % Organics	Volume % Water	Volume % Non-Volatiles (solids)	Gal of Mat. (gal/unit)	Maximum (units/hour)	Pounds VOC per gallon of coating less water	Pounds VOC per gallon of coating	Potential VOC (pounds per hour)	Potential VOC (pounds per day)	Potential VOC (tons per year)	Particulate Potential (tons/yr)	lbs VOC/gal solids	Transfer Efficiency
Paint 1 and 2																
Carbit	11.0	40.00%	0.0%	40.0%	0.0%	70.00%	30.0	0.200	4.40	4.40	26.4	634	*116*	60.7	6.29	65%
Carbit Toluol	7.50	100.00%	0.0%	100.0%	0.0%	0.00%	0.625	0.200	7.50	7.50	0.938	23	*4.11*	0.00	N/A	100%
Champion	11.0	25.00%	0.0%	25.0%	0.0%	69.00%	30.0	0.200	2.75	2.75	16.5	396	72.3	76	3.99	65%
Carboline	14.0	17.00%	0.0%	17.0%	0.0%	83.00%	30.0	0.200	2.38	2.38	14.3	343	62.5	*107*	2.87	65%
Williams-Hayward	10.0	40.00%	0.0%	40.0%	0.0%	70.00%	30.0	0.200	4.00	4.00	24.0	576	105	55.2	5.71	65%
Valspar	12.0	30.00%	0.0%	30.0%	0.0%	55.00%	30.0	0.200	3.60	3.60	21.6	518	94.6	77	6.55	65%

Note that the materials are the "worst case" coating for each manufacturer PM Control Efficiency 95.00%

Worst Case Uncontrolled **27.3** **656** **120** **107**

State Potential Emissions **Add worst case coating to all solvents** **Worst Case Controlled** **27.3** **656** **120** **5.34**

METHODOLOGY

Pounds of VOC per Gallon Coating less Water = (Density (lbs/gal) * Weight % Organics) / (1-Volume % water)
Pounds of VOC per Gallon Coating = (Density (lbs/gal) * Weight % Organics)
Potential VOC Pounds per Hour = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr)
Potential VOC Pounds per Day = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr) * (24 hr/day)
Potential VOC Tons per Year = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr) * (8760 hr/yr) * (1 ton/2000 lbs)
Particulate Potential Tons per Year = (units/hour) * (gal/unit) * (lbs/gal) * (1- Weight % Volatiles) * (1-Transfer efficiency) *(8760 hrs/yr) *(1 ton/2000 lbs)
Pounds VOC per Gallon of Solids = (Density (lbs/gal) * Weight % organics) / (Volume % solids)
Total = Worst Coating + Sum of all solvents used

Limited PM and PM10 Emissions

Material	**Input of Soilds (tons/year)**	**Minimum Transfer Efficiency (%)**	**Minimum Control Efficiecy (%)**	**Limited PM and PM10 Potential (tons/yr)**
Paint 1 and 2				
Any Material	268.0	50.00%	50.00%	**67.0**

Note that as part of this FESOP, the source has elected to take a solid input limit of 268.0 tons per year, based on a control efficiency of 50% and and transfer efficiency of 50%

METHODOLOGY
Limited PM and PM10 Tons per Year = Input of solids * (1- Mininum Transfer Efficiency) * (1- Minimum Control Efficiency)

Appendix A: Emission Calculations
HAP Emission Calculations

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 089-00370
Reviewer: Michael S. Schaffer
Date: June 6, 2002

Material	Density (lbs/gal)	Gallons of Material (gal/unit)	Maximum (unit/hour)	Weight % Xylene	Weight % Toluene	Weight % Napthalene	Weight % Ethyl Benzene	Weight % Triethlylamine	Xylene Emissions	Toluene Emissions	Napthalene Emissions	Ethly Benzene Emissions	Tryethylamine Emissions
Paint 1 and 2									(tons/yr)	(tons/yr)	(tons/yr)	(tons/yr)	(tons/yr)
Carbit Black	11.0	40.0	0.200	1.00%	9.00%	0.00%	0.00%	0.00%	3.85	*34.7*	0.00	0.00	0.00
Carbit Toluol	7.50	0.625	0.200	0.00%	100%	0.00%	0.00%	0.00%	0.00	*4.11*	0.00	0.00	0.00
Carboline Part A	14.00	40.0	0.200	5.00%	5.00%	0.00%	0.00%	0.00%	24.53	24.5	0.00	0.00	0.00
Carboline Part B	14.00	40.0	0.200	10.00%	0.00%	0.00%	5.00%	0.00%	*49.06*	0.00	0.00	*24.5*	0.00
Williams-Hayward	10.00	40.0	0.200	0.00%	1.70%	10.60%	0.00%	1.00%	0.00	5.96	*37.1*	0.00	*3.50*
Note that the materials are the "worst case" coatings based on the MSDS's supplied by the source							**Worst Case Single HAP**		**49.1**	**38.8**	**37.1**	**24.5**	**3.50**
							Worst Case Total HAPs		**77.7**				

METHODOLOGY

HAPS emission rate (tons/yr) = Density (lbs/gal) * Gal of Material (gal/unit) * Maximum (unit/hr) * Weight % HAP * 8760 hrs/yr * 1 ton/2000 lbs

Appendix A: Emission Calculations
Abrasive Blasting - Confined

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 089-00370
Reviewer: Michael S. Schaffer
Date: June 6, 2002

One (1) enclosed shotblaster (Shotblast 1)

Table 1 - Emission Factors for Abrasives

	Emission Factor	
Abrasive	lb PM / lb abrasive	lb PM10 / lb PM
Sand	0.041	0.70
Grit	0.010	0.70
Steel Shot	0.004	0.86
Other	0.010	

Calculations

Flow Rate (FR) of grit provided by the source (lb/hr) =	1900	per nozzle
Uncontrolled Emissions (E, lb/hr)		
EF = emission factor (lb PM/ lb abrasive) From Table 1 =	0.004	
FR = Flow Rate (lb/hr) =	1900	
w = fraction of time of wet blasting =	0	
N = number of nozzles =	1	

Uncontrolled PM Emissions =	**7.60 lb/hr**
	33.3 ton/yr
Uncontrolled PM10 Emissions =	**6.54 lb/hr**
	28.6 ton/yr
Minimum Control Efficiency	99.999%
Controlled PM Emissions =	**0.0001 lb/hr**
	0.0003 ton/yr
Controlled PM10 Emissions =	**0.0001 lb/hr**
	0.0002 ton/yr

METHODOLOGY
Emission Factors from STAPPA/ALAPCO "Air Quality Permits", Vol. I, Section 3 "Abrasive Blasting" (1991 edition)
Ton/yr = lb/hr X 8760 hr/yr X ton/2000 lbs
Flow Rate (FR) (lb/hr) = Flow Rate Provided by the Source
E = EF x FR x (1-w/200) x N
w should be entered in as a whole number (if w is 50%, enter 50)

Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 089-00370
Reviewer: Michael S. Schaffer
Date: June 6, 2002

Heat Input Capacity MMBtu/hr	Potential Throughput MMCF/yr	
0.980	8.58	One (1) insignificant natural gas-fired boiler rated at 0.980 MMBtu/hr

	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
Emission Factor in lb/MMCF	1.9	7.6	0.6	100.0 **see below	5.5	84.0
Potential Emission in tons/yr	0.008	0.033	0.003	0.429	0.024	0.361

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.
**Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32

Methodology

All emission factors are based on normal firing.
MMBtu = 1,000,000 Btu
MMCF = 1,000,000 Cubic Feet of Gas

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu
Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98)
Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton
Note: Check the applicable rules and test methods for PM and PM10 when using the above emission factors to confirm that the correct factor is used (i.e., condensable included/not included).
See page 5 for HAPs emissions calculations.

Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100
HAPs Emissions

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 089-00370
Reviewer: Michael S. Schaffer
Date: June 6, 2002

HAPs - Organics

	Benzene	Dichlorobenzene	Formaldehyde	Hexane	Toluene
Emission Factor in lb/MMcf	2.1E-03	1.2E-03	7.5E-02	1.8E+00	3.4E-03
Potential Emission in tons/yr	0.00001	0.00001	0.00032	0.008	0.00001

HAPs - Metals

	Lead	Cadmium	Chromium	Manganese	Nickel	Total
Emission Factor in lb/MMcf	5.0E-04	1.1E-03	1.4E-03	3.8E-04	2.1E-03	HAPs
Potential Emission in tons/yr	0.000002	0.000005	0.000006	0.000002	0.000009	0.008

Methodology is the same as page 4.

One (1) insignificant natural gas-fired boiler rated at 0.980 MMBtu/hr

The five highest organic and metal HAPs emission factors are provided above.
Additional HAPs emission factors are available in AP-42, Chapter 1.4.

Appendix A: Welding and Thermal Cutting

Company Name: Hoosier Railcar, Inc.
Address City IN Zip: 3915 Kennedy Avenue, East Chicago, IN 46312
FESOP: F 089-15714
Plt ID: 181-00031
Reviewer: Michael S. Schaffer
Date: June 6, 2002

PROCESS	Number of Stations	Max. electrode consumption per station (lbs/hr)		EMISSION FACTORS * (lb pollutant / lb electrode)					EMISSIONS (lb/hr)					TOTAL HAPs (lb/hr)
WELDING				PM = PM10	Mn	Ni	Co	Cr	PM = PM10	Mn	Ni	Co	Cr	
Metal Inert Gas (MIG)(7053)	5	5		0.005	0.0003	0.00001	0.00001	0.00001	0.130	0.008	0.0003	0.0003	0.0003	0.009
Metal Inert Gas (MIG)(3092)	5	2		0.005	0.0003	0.00184	0.00001	0.005	0.054	0.003	0.018	0.0001	0.052	0.074
Stick (6013 electrode)	2	2		0.020	0.0095	0.00002	0.00001	0.00004	0.079	0.038	0.0001	0.00004	0.0002	0.038
Stick (7058 electrode)	2	2		0.018	0.005	0.00005		0.0001	0.071	0.018	0.000200		0.001	0.019
	Number of Stations	Max. Metal Thickness Cut	Max. Metal Cutting Rate	EMISSION FACTORS (lb pollutant/1,000 inches cut, 1" thick)					EMISSIONS (lbs/hr)					TOTAL HAPs (lb/hr)
FLAME AND LASER CUTTING		(in.)	(in./minute)	PM = PM10	Mn	Ni	Co	Cr	PM = PM10	Mn	Ni	Co	Cr	
Flame Cutter	1	1	3	0.1622	0.0005	0.0001		0.0003	0.029	0.0001	0.00002		0.0001	0.0002
EMISSION TOTALS									PM = PM10	Mn	Ni	Co	Cr	Total HAPs
Potential Emissions lbs/hr									0.363	0.067	0.019	0.0004	0.053	0.140
Potential Emissions lbs/day									8.71	1.62	0.455	0.009	1.28	3.36
Potential Emissions tons/year									**1.59**	0.295	0.083	0.002	0.234	0.614

METHODOLOGY

*Emission Factors are default values for carbon steel unless a specific electrode type is noted in the Process column. Consult AP-42 or other reference for different electrode types.
Welding emissions, lb/hr: (# of stations)(max. lbs of electrode used/hr/station)(emission factor, lb. pollutant/lb. of electrode used)
Cutting emissions, lb/hr: (# of stations)(max. metal thickness, in.)(max. cutting rate, in./min.)(60 min./hr.)(emission factor, lb. pollutant/1,000 in. cut, 1" thick)
Emissions, lbs/day = emissions, lbs/hr x 24 hrs/day
Emissions, tons/yr = emissions, lb/hr x 8,760 hrs/day x 1 ton/2,000 lbs.
Plasma cutting emission factors are from the American Welding Society study published in Sweden (March 1994).
Welding and other flame cutting emission factors are from an internal training session document.
See AP-42, Chapter 12.19 for additional emission factors for welding.

Appendix A: Emission Calculations

Company Name: Hoosier Railcar, Inc.
Plant Location: 3915 Kennedy Avenue, East Chicago, IN 46312
County: Lake
FESOP: F 089-15714
Plt ID: 089-00370
Date: June 6, 2002
Permit Reviewer: Michael S. Schaffer

*** * unpaved roads * ***

Vehicle Type	Trips Per Hour	Miles Per Roundtrip	Miles Per Hour	Weight Of Vehicle in Tons	Number of Ton Trips Per Hour
Cars and Pickups	2.00	0.100	0.200	1.50	3.00
Delivery Trucks	0.100	0.200	0.020	40.0	4.00
Forklift	1.00	0.200	0.200	5.00	5.00
Payloader	0.500	0.200	0.100	7.50	3.75
Total:	**3.60**	**Total:**	**0.520**	**Total:**	**15.75**

Weighted Average Rountrip: **0.144** Miles
Weighted Average Weight: **4.375** Tons

Methodology
Trips Per Hour x Miles Per Rountrip = Miles Per Hour
Trips Per Hour x Weight of Vehicle in Tons = Number of Ton Trips Per Hour
Weighted Average Roundtrip = Total Miles Per Hour / Total Trips Per Hour
Weighted Average Weight = Total Ton Trips Per Hour / Total Trips Per Hour

The following calculations determine the amount of emissions created by vehicle traffic on unpaved roads
based on 8760 hours of use and AP-42, Ch 11.2.1, a weighted average miles per roundtrip and weighted average tons per vehicle .

Potential Unpaved Roads Emissions

3.6 maximum trips/hr x
0.144 average miles/roundtrip x
8760 hrs/yr = **4541.2** miles per year

For PM		For PM-10						
	Ef =	{k*[(s/12)^0.8]*[(W/3)^b]/[(Mdry/0.2)^c]}*[(365-p)/365]						
3.82	=	0.96	lb/mile					
10	where k =	2.6	(particle size multiplier for PM-10) (k=10 for PM-30 or TSP)					
4.8	s =	4.8	mean % silt content of unpaved roads					
0.5	b =	0.4	Constant for PM-10 (b = 0.5 for PM-30 or TSP)					
0.4	c =	0.3	Constant for PM-10 (c = 0.4 for PM-30 or TSP)					
4.375	W =	4.375	tons average vehicle weight			Wet Supression Efficiency	50.00%	
0.2	Mdry =	0.2	surface material moisture content, % (default is 0.2 for dry conditions)					
125	p =	125	number of days with at least 0.254mm of precipitation (See Figure 13.2.2-1)					
	3.82 lb/mi x	4541.184 mi/yr =		PM before controls	**8.66** tons/yr	PM after controls	**4.33** tons/yr	
	2000 lb/ton							
	0.96 lb/mi x	4541.184 mi/yr =		PM-10 before controls	**2.17** tons/yr	PM-10 after controls	**1.08** tons/yr	
	2000 lb/ton							